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ATTORNEYS FOR DEBTOR and DEBTOR-IN-POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

<b>IN RE</b>	§	
	§	<b>CASE NO. 10-45097-dml-11</b>
<b>VILLAGE AT CAMP BOWIE I, L.P.,</b>	§	
	§	<b>CHAPTER 11</b>
	§	
<b>DEBTOR.</b>	§	

**FIRST MODIFICATION TO DEBTOR'S  
SECOND AMENDED PLAN OF REORGANIZATION  
(Modifying Amount of Preferred Equity and Treatment of Class 3 Equity Interest Holders)**

Comes now, Village at Camp Bowie I, L.P. (the “Debtor”), and files this First Modifications to Debtor’s First Amended Plan of Reorganization (the “Plan Modifications”) as follows:

1. On May 4, 2011, the Debtor filed its Second Amended Plan of Reorganization [Docket No. 247] (the “Plan”).

2. In order to address certain objections to confirmation of the Plan raised by Western Real Estate Equities, LLC and concerns expressed by the Court with respect to the treatment of Class 3 Interest Holders under the Plan and the amount of the Preferred Equity to be raised to provide additional funding for the Reorganized Debtor's post-confirmation operations, the Debtor hereby modifies the Plan as follows:

The definition of Preferred Equity in the Plan at Section 1.51 is hereby deleted and replaced with the following:

**"Preferred Equity" means the new preferred equity to be contributed on the Effective Date to the Reorganized Debtor from the existing Interest Holders or new third party investors in an amount up to \$1,500,000.00 which shall be subject to the following terms: (i) the Preferred Equity will not be entitled to any distribution on account of the Preferred Equity or, to the extent parties providing the Preferred Equity are existing Interest Holders, a return on their existing equity Interests, either in the form of a yield or a return of capital, until such time as the New Western Note has been paid in full and all Class 2 Claims have been paid as provided in the Plan; (ii) following payment in full of the New Western Note and the Class 2 Claims, the Preferred Equity shall receive a preferential return of the Preferred Equity plus a waterfall distribution to achieve a 20% targeted internal rate of return ; (iii) thereafter partnership distributions will be made to all equity Interest Holders allocated 75% to the investors in the Preferred Equity and 25% to existing equity Interest Holders who do not participate in the Preferred Equity.**

The treatment of the Existing Interest Holders in Class 3 is hereby deleted and replaced with the following:

**Class 3 is Impaired. Interest Holders shall retain their partnership interests in the Reorganized Debtor, subject to subordination and dilution to the Preferred Equity which will be used to fund the Plan. Interest Holders in the Debtor shall not receive any distribution on account of their Interests, either in the form of a yield or a return of capital, until such time as the New Western Note has been paid in full and all Class 2 Claims have been paid as provided in the Plan.**

3. All other provisions of the Plan remain unchanged at this time, and the changes set forth herein have been consented to by the party or parties affected.

DATED: May 17, 2011

Respectfully Submitted,

/s/ J. Mark Chevallier (05-17-11)

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COUNSEL FOR DEBTOR AND DEBTOR-IN-  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 17<sup>th</sup> day of May, 2011, the foregoing document was electronically filed with the Clerk of the Court for the U.S. Bankruptcy Court, Northern District of Texas, Fort Worth Division, using the electronic case filing system of the Court. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means. All other parties, if any, have been sent a true and correct copy of the above and foregoing document via first class regular mail, postage prepaid.

/s/ J. Mark Chevallier (05-17-11)

J. Mark Chevallier